

Are Immigrants Taking Our Jobs?
An Economic Analysis of Immigrant Laborers in American
Poultry Farms

An Honors Thesis (HONR 499)

by

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Abstract

Immigrants are taking American jobs, but we are all better off because of it. Given today's political environment, immigrants are viewed to be a burden on American resources. This study examines American poultry and crop farms to determine the economic burden or gain on the host country's labor supply. The study finds that the labor supply for immigrant labor is more elastic¹ than the native poultry farmer's labor supply. The rising domestic demand for chicken (often referred to as broilers²) creates a demand-pull strain³ on the chicken market, and more human capital is needed to sustain this growing demand. It is found that immigrant labor, due to its labor supply's⁴ elastic tendencies, is utilized to meet production demands. In doing so, real wages⁵ for livestock workers increase, and prices for poultry decrease per pound. Overall, the native population's tendency to view poultry as a normal good drives the market to demand more workers. Reservation wages⁶ for native workers are too high to attract native workers, so immigrant laborers, motivated to seek a higher wage, flow into the host country and seek higher income.⁷ To continue to attract more immigrants, wages increase slightly—although at a much lower rate than if immigrants were not available. This study helps to clarify the complex economic relationship between immigrants in the host country and can apply to other economic markets.

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¹ **Elasticity**- The slope of the labor supply line. The more elastic the slope of the labor supply line is, the more flat the line becomes. Conversely, the more inelastic the slope of the labor supply line is, the more vertical the line becomes

² **Broilers**- Chickens grown for slaughter and consumption only.

³ **Demand-Pull Strain**- A quick-moving increase in the demand for poultry in the poultry market by consumers in the short-run. This places a strain on poultry producers to hire more laborers to meet the ever growing demand.

⁴ **Labor supply**- The quantity of labor qualified and actively seeking employment in a specific industry.

⁵ **Real Wages**- Adjusted for inflation and in terms of 2017 dollar values.

⁶ **Reservation Wage**-The lowest possible wage for an individual to allocate their time to take on one additional unit of work.

⁷ **Aggregate Income**- The total of all the incomes in a given economy that has not been adjusted for taxation, inflation, or other nominal accounting adjustments.